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WATER RESOURCES
WESTERN REGION

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LINDA B. JONES
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RECEIVED
JAN 10 2005
DEPARTMENT OF
WATER RESOURCES

January 4, 2005

Idaho Department of Water Resources
Western Region
2735 Airport Way
Boise, ID 83705-5082

Re: Notice of Termination of
Security Interest in Water Rights;
Water Rights Nos. 63-10780 and 63-1066D

Ladies and Gentlemen:

Enclosed for filing on behalf of our client Wells Fargo Bank (the "Bank") is a Termination of Collateral Assignment and Security Agreement Covering Water Rights, which is executed by the Bank and has been recorded in the real property records of Ada County, Idaho as Instrument No. 105000390. We have not yet received a copy of the document, as recorded, but were informed of the Instrument No. by LandAmerica Commercial Services, the title company who handled the recording.

If you have any questions about this filing, please contact me.

Sincerely,

HOLLAND & HART LLP



Linda B. Jones

LBJ:cd

Enclosure

cc: Eric Rumble (Wells Fargo Bank)

Joe Meier (counsel to The Turf Company/Darwin McKay)

3321830_1.DOC

Recorded 31
Inst. No. 105000390

Recording Requested By,
And After Recording, Return to:
WELLS FARGO BANK,
NATIONAL ASSOCIATION
MAC A0187-085
201 Third Street, 8th Floor
San Francisco, CA 94103
Attn: Frances Leung

CERTIFIED TO BE A TRUE AND
EXACT COPY OF THE ORIGINAL
LANDAMERICA COMMERCIAL SERVICES
BY JKeline

TERMINATION OF
COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT
COVERING WATER RIGHTS

MADE BY: WELLS FARGO BANK, NATIONAL ASSOCIATION

THIS TERMINATION OF ASSIGNMENT AND GRANT OF SECURITY INTEREST IN WATER RIGHTS IS MADE FOR CONSIDERATION RECEIVED BY WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") TERMINATING AND RELEASING ALL LIENS AND ENCUMBRANCES AS DESCRIBED:

That certain Collateral Assignment and Security Agreement Covering Water Rights recorded ON JUNE 7, 2004 in the real property records of Ada County, Idaho as Instrument No. 104070900.

And all of the Bank's security interests, liens, and encumbrances on those water rights of every kind and nature in surface or ground water, all shares, stock or other rights in any irrigation, canal, ditch or reservoir district or company, and/or which are held in the name of L. Darwin McKay (aka Darwin McKay) and Patricia E. McKay (Assignors) in the records of the Idaho Department of Water Resources and/or claimed by them or in their name in the Snake River Basin Adjudication ("SRBA"), including but not limited to water rights numbers **63-1066D** and **63-10780** as described on Attachment 1 hereto, used by Assignors on real properties owned or leased by them or companies of which they are principals for irrigation of crops grown on said real properties, and receivables of any sale, transfer or exchange thereof, and proceeds therefrom, and all other interests of any kind therein which the Bank held pursuant to the above listed Instrument.

The Bank acknowledges that the Obligations Secured, as defined in said Instrument, have been settled and satisfied.

IN WITNESS WHEREOF, this Agreement has been duly executed on December 22, 2004.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

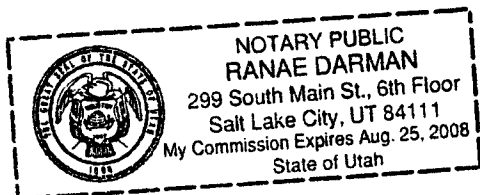
By: *Frank J. Pugh*

Title: *Senior Vice President*

STATE OF Utah)
County of Salt Lake) : ss.

On this 22nd day of December, 2004, before me, Ranae Darman, a notary public in and for said State, personally appeared Vicki S Perkins, known or identified to me to be the SUP of Wells Fargo Bank, National Association ("Bank") and the person who executed the instrument on behalf of said Bank, and acknowledged to me that said Bank executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Ranae Darman
Notary Public
Residing at: _____
My Commission Expires: _____

ATTACHMENT 1
PROFILES OF WATER RIGHTS

PROFILES OF WATER RIGHTS

CloseIDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

05/25/2004

WATER RIGHT NO. 63-10780

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	DARWIN L MC KAY 3220 E LAKE HAZEL RD MERIDIAN, ID 83642 (208)888-3760

Priority Date: 04/05/1989
 Basis: License
 Status: Active

<u>Source</u>	<u>Tributary</u>
GROUND WATER	

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	0.79 CFS	211.5 AFA
Total Diversion			0.79 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NESE	Sec. 32	Township 03N	Range 01E	ADA County
GROUND WATER	SWSW	Sec. 33	Township 03N	Range 01E	ADA County
GROUND WATER	SWSE	Sec. 33	Township 03N	Range 01E	ADA County

Place(s) of use:

Water Right Report

Place of Use Legal Description: IRRIGATION ADA County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
03N	01E	32		SESE	10									
		33		SWSW	34		SESW	3						

Total Acres: 47

Conditions of Approval:

1.	046	Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.
2.	R32	This right when combined with all other rights shall provide no more than .02 cfs per acre nor more than 4.5 afa per acre for irrigation of the lands above.
3.	T08	Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
4.	T09	Approval of this transfer does not preclude the opportunity for review of the validity of the water right(s) in the ongoing Snake River Basin Adjudication.

Dates:

Licensed Date: 10/27/1992

Decreed Date:

Permit Proof Due Date: 10/1/1991

Permit Proof Made Date: 1/24/1990

Permit Approved Date: 9/20/1989

Permit Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date: 04/05/1989

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal:

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

[Close](#)IDAHO DEPARTMENT OF WATER RESOURCES
Water Right Report

05/25/2004

WATER RIGHT NO. 63-10666D

Owner Type	Name and Address
Current Owner	TURF CO INC
Current Owner	L DARWIN MC KAY
	6100 S EAGLE RD
	MERIDIAN, ID 83642
	(208)888-3760

Priority Date: 07/22/1988

Basis: License

Status: Active

Source	Tributary
GROUND WATER	

Beneficial Use	From	To	Diversion Rate	Volume
IRRIGATION	03/15	11/15	0.13 CFS	45 AFA
Total Diversion			0.13 CFS	

Location of Point(s) of Diversion:

GROUND WATER	NENWSW	Sec. 04	Township 02N	Range 01E	ADA County
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Licensed Diversion Capacity: 0.84

Place(s) of use:

Place of Use Legal Description: IRRIGATION ADA County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
02N	01E	4		NESW	15		NWSW	40						

Total Acres: 55

Conditions of Approval:

1.	01Q	After specific notification by the department, the right holder shall measure the diversion or shall enter into an agreement with the department to determine the amount of water diverted from power records and shall annually report the information to the Department.
2.	065	The right holder shall use the full allotment of appurtenant surface water rights in conjunction with groundwater diverted under this right and shall only divert groundwater under this right when water from the appurtenant surface water rights cannot be delivered to the right holder.
3.	104	If the surface water right(s) appurtenant to the place of use is sold, transferred, leased or used on any other place of use, this right to divert groundwater shall not be used without an approved transfer pursuant to Section 42-222, Idaho Code, or approval of the Department if a transfer is not required.
4.	R19	The right holder shall maintain a totalizing measuring device of a type approved by the Department as a part of the diverting works.
5.	R65	This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
6.	T07	The right holder shall accomplish the change authorized by this transfer within one (1) year of the date of this approval.
7.	T08	Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.
8.	X61	The period of use for the irrigation described in this approval may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date of this approval.

Dates:

Licensed Date: 08/23/1995

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Water Supply Bank Enrollment Date Accepted:

Water Supply Bank Enrollment Date Removed:

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Other Information:

State or Federal:

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

ATTACHMENT 2

**LEGAL DESCRIPTION OF REAL PROPERTY
WHERE PLEDGED WATER RIGHTS MAY BE USED**

SW1/4 SW1/4 Section 33, Township 3 North, Range 1 E, BM, Ada County, Idaho

3316532_1.DOC

**LEGAL DESCRIPTION OF REAL PROPERTY
WHERE PLEDGED WATER RIGHTS MAY BE USED**

A Parcel of land situated in a portion of the South half of the Southwest quarter of the Southwest quarter of Section 33, Township 3 North, Range 1 East, Boise Meridian, Ada County, Idaho, as shown on record of Survey Number 4531, recorded February 2, 1999, as Instrument No. 99010162, for L. Darwin McKay as Parcel A and described as follows:

Beginning at the Southwest corner of Section 33; thence
North 00 degree 00'00" East 1338.06 feet to a 5/8 inch rebar marking the South 1/16 corner common to Sections 32 and 33; thence along the Northerly line of said South half of the Southwest quarter
North 89 degrees 54'18" East 992.43 feet to a point marking the centerline of the Ten Mile Creek; thence along said centerline the following courses:
South 58 degrees 58'00" East 431.55 feet to a point; thence
South 45 degrees 13'00" East 744.00 feet to a point; thence
south 12 degrees 08'30" East 389.70 feet to a half inch rebar; thence leaving said centerline and along the Southerly line of the said Southwest quarter
South 89 degrees 42'48" West 1669.75 feet to the point of beginning.

Excepting therefrom the following described land as shown as Parcel B on said record of survey:

Beginning at the Southwest corner of Section 33; thence along the Westerly line of the said Southwest quarter
North 00 degree 00'00" East 326.06 feet to a half inch rebar; thence
South 48 degrees 49'33" East 170.96 feet to a half inch rebar; thence
North 89 degrees 42'48" East 139.97 feet to a half inch rebar; thence
North 00 degree 00'00" East 128.01 feet to a half inch rebar; thence
North 89 degrees 42'48" East 449.84 feet to a half inch rebar; thence
South 00 degree 00'00" East 340.87 feet to a half inch rebar; thence along the Southerly line of the said Southwest quarter
South 89 degrees 42'48" West 718.50 feet to the point of beginning.

Except any portions of Parcels I, II and III lying within the right of way of West Lake Hazel Road or South Eagle Road.